UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress ¹

[Date approved: September 20, 2005]²

Bill No. and sponsor: H.R. 2146 (Mr. Henry E. Brown of South Carolina)

Proponent name, location: LANXESS Corporation
Goose Creek, SC

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

4-Aminodiphenylamine (CAS No. 101–54–2) (provided for in subheading 2921.51.50)

Product information, including uses/applications and source(s) of imports:

X Same as that in bill as introduced

Check one:

4-Aminodiphenylamine, a synthetic organic chemical, is primarily used as an intermediate in the manufacture of rubber chemicals (e.g., antioxidants and antiozonants) but is also used to produce products such as hair dyes and inks. The proponent, LANXESS, uses the product as an intermediate in the production of antidegradant used to offset the impact of ozone, heat, and mechanical wear on rubber products such as tires. LANXESS states that it cannot source enough of the product from Crompton Uniroyal, said to be the sole domestic producer of the chemical, and, therefore, must import 4-aminodiphenylamine to meet its production needs. The proponent imports the product from Germany.

Different from that in bill as introduced (see Technical comments section)

According to LANXESS, "a tariff suspension will allow LANXESS to produce anti-degradants in a cost effective manner and will remove a competitive disadvantage against imported finished goods." Moreover, according to the proponent, Crompton Uniroyal competes with LANXESS in marketing finished products manufactured from 4-aminodiphenylamine and other rubber chemicals.

¹ Industry analyst preparing report: Elizabeth Nesbitt (202-205-3355); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at www.usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm .

Estimated effect on customs revenue:

HTS subheadings: <u>2921.51.50</u>									
	2005	2006	2007	2008	2009				
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%				
Estimated value <i>dutiable</i> imports	\$3,810,215	\$4,000,726	\$4,200,762	\$4,410,800	\$4,631,340				
Customs revenue loss	\$247,664	\$260,047	\$273,050	\$286,702	\$301,037				

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
			(Yes/No)	
LANXESS Corp.(Proponent) Liese Wright. E-mail: ewright@ibgc.com	07/17/2005	No	No	No
Abbott Labs Elaine Leavenworth Fax: 202-783-6631	07/14/2005	No	No	No
Aceto Corp. Keith Wilkinson 516-627-6000	08/09/2005	No	No	No
Albright & Wilson Susan Grenbaum Fax: 804-968-6498	07/15/2005	No	No	No
Allegheny Color Corp. Mary Gallisdorfer Fax: 513-681-0451	07/15/2005	No	No	No
American Chemistry Council Jim O'Connor Fax: 703-741-6922	07/15/2005	No	No	No
Apollo Color Inc. Patty Hines Fax: 815-741-2599	07/15/2005	No	No	No
Apollo Color Inc. Dave Klebine Fax: 815-741-2599	07/15/2005	No	No	No
Apollo Color Inc. Tom Rogers Fax: 815-741-2599	07/15/2005	No	No	No

BASF Corp. Don Hysell Fax: 202-662-2675	07/15/2005	No	No	No
BF Goodrich Thomas E. Eickhoff Fax: 513-841-4919	07/15/2005	No	No	No
BF Goodrich Paul Schmidt Fax: 513-841-4919	07/15/2005	No	No	No
Bayer Corp. Julie van Egmund Fax: 202-737-8909	07/15/2005	No	No	No
Bayer Corp. Karen Niedermeyer Fax: 412-777-4740	07/15/2005	No	No	No
Biddle Sawyer William Thonack Fax: 212-239-1089	07/15/2005	No	No	No
Bristol Myers Squibb Co. David Warr Fax: 202-783-2308	07/15/2005	No	No	No
Chemtura Lloyd Moon Fax: 203-573-4430	07/25/2005	Yes	Yes	Yes
Ciba Specialty Chemicals Michelle Forte Fax: 914-785-4831	07/15/2005	No	No	No
Ciba Specialty Chemicals John Demming Fax: 410-715-4552	07/15/2005	No	No	No
Ciba Specialty Chemicals Eric Finkelman Fax: 336-801-2056	07/15/2005	No	No	No
Clariant Corp. Andrew Zamoyski Fax: 401-823-2700	07/15/2005	No	No	No
Diacolor-Pope Norman Russo Fax: 973-279-1256	07/15/2005	No	No	No
E. I. DuPont Nancy Johnson Fax: 202-728-3649	07/15/2005	No	No	No
E. I. DuPont Elaine Olsen Fax: 302-892-7343	07/15/2005	No	No	No
Eastman Chemical Co. Greg Riddle Fax: 703-524-7707	07/15/2005	No	No	No
Eli Lilly Kathy Karol Fax: 202-624-9460	07/15/2005	No	No	No

Engelhard Corp.	07/15/2005	No	No	No
Frank Ardite Fax: 732-321-0250				
Fabricolor Manufacturing Corp. M. Barry Bochner Fax: 973-742-5038	07/15/2005	No	No	No
Galaxie Chemical Corp. Michael Santoro, Jr. Fax: 973-790-7104	07/15/2005	No	No	No
Galaxie Chem Richard Caldwell Fax: 973-790-7104	07/15/2005	No	No	No
Gilead Sciences Cheryl Myriad Fax: 650-522-5853	07/15/2005	No	No	No
Glaxo Wellcome Sara Froehlich Fax: 202-715-1001	07/15/2005	No	No	No
Honeywell International Art Simonetti Fax: 202-662-2675	07/15/2005	No	No	No
Interferon Sciences, Inc. Samuel Ronel Fax: 732-249-6895	07/15/2005	No	No	No
Lonza Inc. Ray Esposito Fax: 201-794-2744	07/15/2005	No	No	No
Magruder Color Co. John G. Cook, Jr. Fax: 973-242-4087	07/15/2005	No	No	No
Mason Color Works, Inc. Carol Mason Cronin Fax: 330-385-4488	07/15/2005	No	No	No
Mason Color Works, Inc. Ann Herdmann Fax: 330-385-4488	07/15/2005	No	No	No
Max Marx Color Corp. Walter Sichel Fax: 973-373-9301	07/15/2005	No	No	No
Max Marx Color Corp. Tom Doty Fax: 973-373-9301	07/15/2005	No	No	No
Merck & Co. Thomas Bombelles Fax: 202-638-3670	07/15/2005	No	No	No
Monsanto Corp. Linda Strachan Fax: 202-789-1867	07/15/2005	No	No	No
Monsanto Corp. Michael Parrish Fax: 202-789-1867	07/15/2005	No	No	No

Noveon Inc. Tom Dirmyer Fax: 216-447-5580	07/29/2005	No	No	No
PMC Inc. Gordon McCullough Fax: 513-482-7884	07/15/2005	No	No	No
Pfizer Philip Ellsworth Fax: 212-309-5317	07/15/2005	No	No	No
Pharmacia & Upjohn Kevin Kirby Fax: 202-393-6050	07/15/2005	No	No	No
Procter & Gamble Jim McCarthy Fax: 202-393-4606	07/15/2005	No	No	No
Roma Color, Inc. Stuart E. Booth Fax: 508-676-9011	07/15/2005	No	No	No
Roma Color, Inc. Andrew Blum Fax: 508-676-9011	07/15/2005	No	No	No
Schering-Plough Rob Lively Fax: 202-463-8809	07/15/2005	No	No	No
Skymart Enterprises Inc. Mr. Chen 626-286-3742	08/09/2005	No	No	No
Solutia Sue Cannon Fax: 314-674-1585	07/15/2005	No	No	No
Solutia Dan Jenkins Fax: 314-674-1585	07/15/2005	No	No	No
Sun Chemical Corp. Steve Schmidt Fax: 513-681-4960	07/15/2005	No	No	No
Uhlich Color Co. Angus Chassels Fax: 520-577-0038	07/15/2005	No	No	No

Technical comments:³ None.

 $[\]overline{\ }^3$ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

H. R. 2146

To suspend temporarily the duty on 4-ADPA.

IN THE HOUSE OF REPRESENTATIVES

May 5, 2005

Mr. Brown of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on 4-ADPA.

1	Be it	enacted	by	the	Senate	and	House	of	Representa-

- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. 4-ADPA.
- 4 (a) In General.—Subchapter II of chapter 99 of
- 5 the Harmonized Tariff Schedule of the United States is
- 6 amended by inserting in numerical sequence the following
- 7 new heading:

"	9902.06.07	4-Aminodiphenylamine (CAS No. 101–54–2) (provided for					
		in subheading 2921.51.50)	Free	No change	No change	On or before 12/31/2009	,,,

- 8 (b) Effective Date.—The amendment made by
- 9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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